

Judge Hellerstein

Paul D. Wexler (PW 9340)
BRAGAR WEXLER & EAGEL, P.C.
885 Third Avenue
New York, New York 10022
(212) 308-5858

08 CV 00527

Glenn F. Ostrager (GO 2023)
OSTRAGER CHONG FLAHERTY & BROITMAN P.C.
570 Lexington Avenue
New York, New York 10022-6894
(212) 681-0600

Attorneys for Plaintiff



IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK

TERRY KLEIN, derivatively on behalf of
BLUEGREEN CORPORATION,

Plaintiff,

Civil Action No.

COMPLAINT

(Jury Trial Demanded)

CENTRAL FLORIDA INVESTMENTS, INC.,
DAVID A. SIEGEL REVOCABLE TRUST,
DAVID A. SIEGEL, and BLUEGREEN
CORPORATION,

Defendants.

TERRY KLEIN ("Klein"), by her attorneys, Bragar Wexler & Eagel, P.C. and Ostrager Chong Flaherty & Broitman P.C., complaining of defendants, alleges upon information and belief as to all paragraphs except paragraph 1, as follows:

1. Plaintiff Klein is a New York resident who is the owner of common stock of Bluegreen Corporation ("Bluegreen" or the "Company").

2. Bluegreen, a nominal defendant herein, is a Massachusetts corporation with its principal place of business at 4960 Conference Way North, Suite 100, Boca Raton, Florida 33431.

3. Defendant Central Florida Investments, Inc. ("CFI") is a Florida corporation, with its business address at 5601 Windhover Drive, Orlando, Florida 32819.

4. Defendant David A. Siegel Revocable Trust (the "Siegel Trust") is a revocable trust established by David A. Siegel ("Siegel") for his sole benefit. The business address of the Siegel Trust is c/o Central Florida Investments, Inc., 5601 Windhover Drive, Orlando, Florida 32819. The Siegel Trust owns 100% of the voting shares of CFI.

5. Defendant Siegel is a U.S. citizen, with his business address at c/o Central Florida Investments, Inc., 5601 Windhover Drive, Orlando, Florida 32819. Siegel is the President and sole director of CFI and the sole trustee and beneficiary of the Siegel Trust.

Jurisdiction and Venue

6. This action is brought derivatively on behalf of Bluegreen pursuant to Section 16(b) of the Securities Exchange Act of 1934 (the "Exchange Act"), 15 U.S.C. §78p ("Section 16(b)"), to obtain disgorgement of profits obtained by defendants in violation of that statute. Jurisdiction of this court and venue in this district are proper pursuant to 15 U.S.C. §78(a)(a).

The Governing Law

7. Section 16(b) of the Exchange Act provides that if an officer, director or beneficial owner of more than 10 percent of a class of equity securities of an issuer, purchases and sells or sells and purchases shares of any equity security of such issuer within a period of less

than six months, any profits arising from those transactions are recoverable by the issuer or by a shareholder suing derivatively on its behalf.

8. Under SEC Rule 16a-1(a)(1) promulgated under the Exchange Act, where two or more persons “act as a partnership, limited partnership, syndicate, or other group for the purpose of acquiring, holding or disposing of securities of an issuer” as set forth in Section 13(d)(3) of the Exchange Act, such persons are deemed to be a “group” for purposes of determining §16(b) liability. Under SEC Rule 16a-1, the shares held by persons in such a group are aggregated to determine whether the group has a greater than 10% beneficial ownership in the issuing corporation. If the aggregate number of shares beneficially owned by the group exceeds 10%, each member of the group is deemed to be a greater than 10% beneficial owner and is liable to disgorge profits which such group member earns in stock transactions effected within a six-month period.

9. Under SEC Rule 16b-6(d) promulgated under the Exchange Act, “[u]pon cancellation or expiration of an option within six months of the writing of the option, any profit derived from writing the option shall be recoverable under Section 16(b) of the Act.”

CLAIM FOR RELIEF

10. Defendants CFI, the Siegel Trust and Siegel (collectively, the “Siegel Group”), constitute a group under §13(d)(3) of the Exchange Act and garnered short-swing profits disgorgeable to Bluegreen in the transactions hereinafter set forth. At all relevant times, each of CFI, the Siegel Trust and Siegel was a greater than 10% beneficial owner of Bluegreen common stock. Over a period beginning in 2006 and continuing through at least July 16, 2007, CFI wrote put and call options which expired within six months of the writing of such options,

resulting in disgorgeable short-swing profits in the amount of the premiums received by CFI from writing these options. Each of CFI, the Siegel Trust and Siegel Trust is jointly and severally liable to disgorge such profits (in the cases of the Siegel Trust and Siegel, to the extent of their respective pecuniary interests in the transactions effected by CFI). The option transactions are detailed below.

The Options Transactions

11. In 2006, CFI wrote put options covering 325,000 shares with an exercise price of \$12.50 per share and an expiration date of November 18, 2006. CFI received an undisclosed premium for writing this option, which is believed to be in the amount of \$406,250.

12. On October 16, 2006, CFI wrote call options covering 1,000 shares with an exercise price of \$12.50 per share and an expiration date of November 18, 2006. CFI received a premium of \$400 for writing this option.

13. On October 16, 2006, CFI wrote call options covering 18,100 shares with an exercise price of \$12.50 per share and an expiration date of November 18, 2006. CFI received a premium of \$19,910 for writing this option..

14. On October 18, 2006, CFI wrote call options covering 2,000 shares with an exercise price of \$12.50 per share and an expiration date of February 17, 2007. CFI received a premium of \$1,600 for writing this option.

15. On October 19, 2006, CFI wrote call options covering 5,000 shares with an exercise price of \$12.50 per share and an expiration date of February 17, 2007. CFI received a premium of \$4,000 for writing this option.

16. On October 24, 2006, CFI wrote call options covering 16,700 shares with an exercise price of \$15.00 per share and an expiration date of February 17, 2007. CFI received a premium of \$2,839 for writing this option.

17. On October 24, 2006, CFI wrote call options covering 13,800 shares with an exercise price of \$12.50 per share and an expiration date of February 17, 2007. CFI received a premium of \$11,730 for writing this option.

18. On October 24, 2006, CFI wrote call options covering 46,000 shares with an exercise price of \$12.50 per share and an expiration date of November 18, 2006. CFI received a premium of \$18,400 for writing this option.

19. On October 24, 2006, CFI wrote call options covering 2,000 shares with an exercise price of \$12.50 per share and an expiration date of December 16, 2006. CFI received a premium of \$1,100 for writing this option.

20. On October 24, 2006, CFI wrote call options covering 20,000 shares with an exercise price of \$12.50 per share and an expiration date of November 18, 2006. CFI received a premium of \$8,000 for writing this option.

21. On October 25, 2006, CFI wrote call options covering 1,000 shares with an exercise price of \$12.50 per share and an expiration date of February 17, 2007. CFI received a premium of \$850 for writing this option.

22. On October 26, 2006, CFI wrote call options covering 50,000 shares with an exercise price of \$12.50 per share and an expiration date of February 17, 2007. CFI received a premium of \$42,500 for writing this option.

23. On October 26, 2006, CFI wrote call options covering 20,000 shares with an exercise price of \$12.50 per share and an expiration date of December 16, 2006. CFI received a premium of \$12,000 for writing this option.

24. On October 26, 2006, CFI wrote call options covering 40,000 shares with an exercise price of \$12.50 per share and an expiration date of November 18, 2006. CFI received a premium of \$18,000 for writing this option.

25. On October 30, 2006, CFI wrote call options covering 21,000 shares with an exercise price of \$12.50 per share and an expiration date of December 16, 2006. CFI received a premium of \$10,500 for writing this option.

26. On November 6, 2006, CFI wrote call options covering 2,000 shares with an exercise price of \$12.50 per share and an expiration date of February 17, 2007. CFI received a premium of \$2,000 for writing this option.

27. On November 6, 2006, CFI wrote call options covering 10,000 shares with an exercise price of \$12.50 per share and an expiration date of November 18, 2006. CFI received a premium of \$6,000 for writing this option.

28. On November 6, 2006, CFI wrote call options covering 2,000 shares with an exercise price of \$12.50 per share and an expiration date of December 16, 2006. CFI received a premium of \$1,500 for writing this option.

29. On November 7, 2006, CFI wrote call options covering 2,800 shares with an exercise price of \$12.50 per share and an expiration date of February 17, 2007. CFI received a premium of \$3,080 for writing this option.

30. On November 8, 2006, CFI wrote call options covering 2,000 shares with an exercise price of \$12.50 per share and an expiration date of February 17, 2007. CFI received a premium of \$2,500 for writing this option.

31. On November 8, 2006, CFI wrote call options covering 48,800 shares with an exercise price of \$12.50 per share and an expiration date of November 18, 2006. CFI received a premium of \$41,480 for writing this option.

32. On November 8, 2006, CFI wrote call options covering 1,600 shares with an exercise price of \$12.50 per share and an expiration date of December 16, 2006. CFI received a premium of \$1,600 for writing this option.

33. On November 17, 2006, CFI wrote call options covering 4,000 shares with an exercise price of \$12.50 per share and an expiration date of December 16, 2006. CFI received a premium of \$4,800 for writing this option.

34. On November 22, 2006, CFI wrote call options covering 10,000 shares with an exercise price of \$12.50 per share and an expiration date of December 16, 2006. CFI received a premium of \$14,500 for writing this option.

35. On November 22, 2006, CFI wrote call options covering 10,000 shares with an exercise price of \$12.50 per share and an expiration date of May 19, 2007. CFI received a premium of \$20,000 for writing this option.

36. On November 22, 2006, CFI wrote call options covering 19,700 shares with an exercise price of \$12.50 per share and an expiration date of February 17, 2007. CFI received a premium of \$32,505 for writing this option.

37. On December 14, 2006, CFI wrote call options covering 55,000 shares with an exercise price of \$15.00 per share and an expiration date of May 19, 2007. CFI received a premium of \$11,000 for writing this option.

38. On December 15, 2006, CFI wrote call options covering 20,900 shares with an exercise price of \$12.50 per share and an expiration date of May 19, 2007. CFI received a premium of \$36,575 for writing this option.

39. On December 15, 2006, CFI wrote call options covering 42,000 shares with an exercise price of \$12.50 per share and an expiration date of February 17, 2007. CFI received a premium of \$46,200 for writing this option.

40. On December 15, 2006, CFI wrote call options covering 84,000 shares with an exercise price of \$15.00 per share and an expiration date of May 19, 2007. CFI received a premium of \$21,000 for writing this option.

41. On December 19, 2006, CFI wrote call options covering 13,000 shares with an exercise price of \$12.50 per share and an expiration date of January 19, 2007. CFI received a premium of \$7,800 for writing this option.

42. On December 20, 2006, CFI wrote call options covering 6,000 shares with an exercise price of \$12.50 per share and an expiration date of January 19, 2007. CFI received a premium of \$3,600 for writing this option.

43. On December 21, 2006, CFI wrote call options covering 5,000 shares with an exercise price of \$12.50 per share and an expiration date of January 19, 2007. CFI received a premium of \$3,150 for writing this option.

44. On December 22, 2006, CFI wrote call options covering 50,000 shares with an exercise price of \$12.50 per share and an expiration date of February 16, 2007. CFI received a premium of \$40,000 for writing this option.

45. On December 22, 2006, CFI wrote call options covering 60,000 shares with an exercise price of \$12.50 per share and an expiration date of May 18, 2007. CFI received a premium of \$66,600 for writing this option.

46. On December 26, 2006, CFI wrote call options covering 30,000 shares with an exercise price of \$12.50 per share and an expiration date of May 18, 2007. CFI received a premium of \$33,000 for writing this option.

47. On December 27, 2006, CFI wrote call options covering 12,000 shares with an exercise price of \$12.50 per share and an expiration date of February 16, 2007. CFI received a premium of \$9,000 for writing this option.

48. On January 3, 2007, CFI wrote call options covering 10,000 shares with an exercise price of \$12.50 per share and an expiration date of May 18, 2007. CFI received a premium of \$11,000 for writing this option.

49. On January 10, 2007, CFI wrote call options covering 16,000 shares with an exercise price of \$12.50 per share and an expiration date of May 18, 2007. CFI received a premium of \$14,400 for writing this option.

50. On January 22, 2006, CFI wrote call options covering 20,000 shares with an exercise price of \$12.50 per share and an expiration date of May 18, 2007. CFI received a premium of \$15,000 for writing this option.

51. On February 8, 2007, CFI wrote call options covering 2,000 shares with an exercise price of \$12.50 per share and an expiration date of March 16, 2007. CFI received a premium of \$1,600 for writing this option.

52. On February 9, 2007, CFI wrote call options covering 5,000 shares with an exercise price of \$12.50 per share and an expiration date of February 16, 2007. CFI received a premium of \$3,250 for writing this option.

53. On February 9, 2007, CFI wrote call options covering 7,400 shares with an exercise price of \$12.50 per share and an expiration date of May 18, 2007. CFI received a premium of \$8,140 for writing this option.

54. On February 12, 2007, CFI wrote call options covering 1,400 shares with an exercise price of \$12.50 per share and an expiration date of May 18, 2007. CFI received a premium of \$1,540 for writing this option.

55. On February 20, 2007, CFI wrote call options covering 40,000 shares with an exercise price of \$12.50 per share and an expiration date of March 16, 2007. CFI received a premium of \$16,000 for writing this option.

56. On March 16, 2007, CFI wrote call options covering 20,200 shares with an exercise price of \$12.50 per share and an expiration date of August 17, 2007. CFI received a premium of \$9,090 for writing this option.

57. On March 21, 2007, CFI wrote call options covering 20,000 shares with an exercise price of \$12.50 per share and an expiration date of August 17, 2007. CFI received a premium of \$9,000 for writing this option.

58. On May 4, 2007, CFI wrote call options covering 40,000 shares with an exercise price of \$12.50 per share and an expiration date of June 15, 2007. CFI received a premium of \$12,000 for writing this option.

59. On May 4, 2007, CFI wrote call options covering 6,000 shares with an exercise price of \$12.50 per share and an expiration date of August 17, 2007. CFI received a premium of \$3,900 for writing this option.

60. On May 7, 2007, CFI wrote call options covering 40,000 shares with an exercise price of \$12.50 per share and an expiration date of June 18, 2007. CFI received a premium of \$12,000 for writing this option.

61. On May 8, 2007, CFI wrote call options covering 20,000 shares with an exercise price of \$12.50 per share and an expiration date of August 17, 2007. CFI received a premium of \$15,000 for writing this option.

62. On May 9, 2007, CFI wrote call options covering 20,000 shares with an exercise price of \$12.50 per share and an expiration date of June 15, 2007. CFI received a premium of \$7,000 for writing this option.

63. On May 10, 2007, CFI wrote call options covering 20,000 shares with an exercise price of \$12.50 per share and an expiration date of June 15, 2007. CFI received a premium of \$7,000 for writing this option.

64. On May 15, 2007, CFI wrote call options covering 24,600 shares with an exercise price of \$12.50 per share and an expiration date of June 15, 2007. CFI received a premium of \$12,300 for writing this option.

65. On May 23, 2007, CFI wrote call options covering 10,000 shares with an exercise price of \$12.50 per share and an expiration date of November 16, 2007. CFI received a premium of \$10,000 for writing this option.

66. On May 25, 2007, CFI wrote call options covering 1,000 shares with an exercise price of \$12.50 per share and an expiration date of August 17, 2007. CFI received a premium of \$600 for writing this option.

67. On June 13, 2007, CFI wrote call options covering 100,000 shares with an exercise price of \$12.50 per share and an expiration date of November 16, 2007. CFI received a premium of \$60,000 for writing this option.

68. On June 14, 2007, CFI wrote call options covering 1,000 shares with an exercise price of \$12.50 per share and an expiration date of November 16, 2007. CFI received a premium of \$650 for writing this option.

69. On June 15, 2007, CFI wrote call options covering 45,000 shares with an exercise price of \$12.50 per share and an expiration date of November 16, 2007. CFI received a premium of \$27,000 for writing this option.

70. On June 27, 2007, CFI wrote call options covering 1,300 shares with an exercise price of \$12.50 per share and an expiration date of August 17, 2007. CFI received a premium of \$325 for writing this option.

71. On June 28, 2007, CFI wrote call options covering 10,000 shares with an exercise price of \$12.50 per share and an expiration date of August 17, 2007. CFI received a premium of \$2,500 for writing this option.

72. On June 28, 2007, CFI wrote call options covering 10,000 shares with an exercise price of \$12.50 per share and an expiration date of November 16, 2007. CFI received a premium of \$6,000 for writing this option.

73. On July 12, 2007, CFI wrote call options covering 55,000 shares with an exercise price of \$12.50 per share and an expiration date of November 16, 2007. CFI received a premium of \$33,275 for writing this option.

74. On July 12, 2007, CFI wrote call options covering 5,000 shares with an exercise price of \$12.50 per share and an expiration date of August 17, 2007. CFI received a premium of \$1,250 for writing this option.

75. On July 13, 2007, CFI wrote call options covering 21,500 shares with an exercise price of \$12.50 per share and an expiration date of November 16, 2007. CFI received a premium of \$12,577 for writing this option.

76. On July 13, 2007, CFI wrote call options covering 5,000 shares with an exercise price of \$12.50 per share and an expiration date of August 17, 2007. CFI received a premium of \$1,250 for writing this option.

77. On July 16, 2007, CFI wrote call options covering 27,500 shares with an exercise price of \$12.50 per share and an expiration date of November 16, 2007. CFI received a premium of \$16,500 for writing this option.

Defendants' Disgorgeable Profits

78. At itemized in paragraphs 11 through 77, defendants received premiums from writing options that expired within six months of writing such options, with all such expirations occurring while defendants were statutory insiders subject to Section 16(b).

Defendants garnered aggregate premiums of \$889,866 from writing call options and are believed to have garnered a premium of \$406,250 from writing put options, resulting in aggregate disgorgeable profits of \$1,296,116. Under SEC Rule 16b-6(d) promulgated under the Exchange Act, these amounts are disgorgeable short-swing profits.

As And For A Claim for Relief

79. Plaintiff repeats and realleges the allegations contained in paragraphs 1 through 78, *supra*, as if fully set forth herein.

80. As itemized in paragraphs 11 through 78, *supra*, defendants are liable for the short-swing profits realized in trading in Bluegreen securities. These transactions yield short-swing profits of approximately \$1,296,116 that defendants must disgorge to Bluegreen pursuant to §16(b). CFI is liable to disgorge such profits, and each of the Siegel Trust and Siegel is jointly and severally liable to the extent of their respective pecuniary interests in the options transactions effected by CFI.

81. Additional damages may be assessed against defendants as a result of additional purchases and sales of Bluegreen securities of which plaintiff is not aware.

82. Accordingly, plaintiff is entitled to damages on behalf of Bluegreen in an amount which cannot be ascertained with precision at this time, but at least \$1,296,116.

Allegations As To Demand

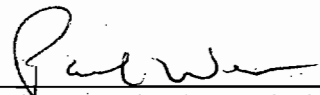
83. On or about November 7, 2007, plaintiff made demand upon Bluegreen Corporation to commence this lawsuit. The Company has failed to do so.

WHEREFORE, plaintiff demands judgment on behalf of Bluegreen Corporation against defendants, as described above, plus attorneys' fees, interest and such other and further relief as to the Court may seem just and proper.

Dated: New York, New York
January 17, 2008

Yours, etc.

BRAGAR WEXLER & EAGEL, P.C.

By: 
Paul D. Wexler (PDW9340)

885 Third Avenue
New York, New York 10022
(212) 308-5858

OSTRAGER CHONG FLAHERTY
& BROITMAN P.C.

570 Lexington Avenue
New York, New York 10022-6894

Attorneys for Plaintiff